



**Piedmont
Natural Gas**

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2006-227-G

October 30, 2006

Mr. Charles Terreni
Chief Clerk & Administrator
The Public Service Commission of South Carolina
PO Drawer 11649
Columbia, South Carolina 29211

Dear Mr. Terreni:

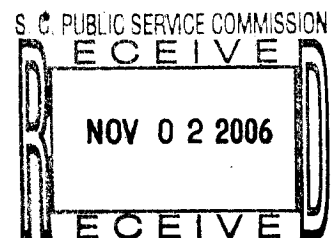
Enclosed is the Quarterly Commission Report of Piedmont Natural Gas for the quarter ended September 30, 2006.

Very truly yours,

Jacqueline Glover
Staff Accountant

Enclosure

cc: Mr. Wayne Burdette (w/enc)
Dr. Douglas Carlisle (w/enc)
David Carpenter (w/enc)



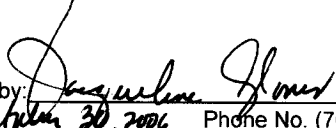
GAS COMPANIES
Income Statement Data

Quarter Ended: Month of September
Year 2006

Company: Piedmont Natural Gas Company, Inc.

	Total Company 12 Months Ended September 30, 2006	South Carolina Operations Only Quarter Ended September 30, 2006	Twelve Months Ended September 30, 2006
1 Operating Revenues:			
2 Residential	\$836,522,063	\$7,039,505	\$110,276,280
3 Commercial	506,121,204	7,666,793	68,566,933
4 Industrial	160,814,817	5,690,619	29,315,031
5 Power generation - sales	6,757,593	195,130	220,440
6 Sales to public authorities	1,714,245	133,318	1,269,779
7 Sales for resale	2,838,231	0	0
8			
9 Total sales of gas	1,514,768,153	20,725,365	209,648,463
10 Secondary market sales	345,107,412	0	0
11 Gas transportation for others	57,066,296	1,722,498	9,111,968
12 Transportation for resale	12,566,078	0	0
13 Power generation - transportation	14,051,220	60,771	256,379
14 Other operating revenues	7,609,202	164,423	897,327
15			
16 Total gas operating revenues	1,951,168,361	22,673,057	219,914,137
17			
18 Operating Expenses:			
19 Purchased gas	1,432,775,505	11,920,423	149,863,329
20 Maintenance	32,956,722	1,058,344	4,418,825
21 Other operating expenses (except taxes)	188,037,128	6,429,095	27,189,224
22			
23 Total operating expenses	1,653,769,355	19,407,862	181,471,378
24			
25 Depreciation and amortization	89,212,576	3,021,941	11,323,336
26			
27 Total expenses and depreciation	1,742,981,931	22,429,803	192,794,714
28			
29 Operating Taxes:			
30 *Federal income taxes	39,946,540	(911,571)	4,885,669
31 Federal income taxes - deferred			
32 Investment tax credit normalization			
33 Amortization of investment tax credits	(534,869)	(14,557)	(59,194)
34			
35 Total federal taxes - operating	39,411,671	(926,128)	4,826,475
36			
37 State income taxes	8,360,459	(204,724)	990,318
38 State income taxes - deferred			
39			
40 Total state taxes - operating	8,360,459	(204,724)	990,318
41			
42 Other operating taxes	32,260,157	1,394,376	6,172,616
43			
44 Total operating taxes	80,032,287	263,524	11,989,409
45			
46 Total operating expenses, depreciation, and taxes	1,823,014,218	22,693,327	204,784,123
47			
48 Net Operating Income	\$128,154,143	(\$20,270)	\$15,130,014
49			

50 *Attach a detailed analysis of this item if any prior period adjustments are included in net figure shown.

Prepared by:  Jacqueline Glover
Date: October 30, 2006 Phone No. (704)364-3120

GAS COMPANIES
Income Statement Data

Quarter Ended: Month of September
Year 2006

Company: Piedmont Natural Gas Company, Inc.

Total Company 12 Months Ended September 30, 2006		South Carolina Operations Only Quarter Ended September 30, 2006		Twelve Months Ended September 30, 2006
1 Other Income:				
2 Interest charged to construction	\$3,627,087	\$71,293		\$453,151
3 Dividends and other interest income	Not Applicable	Not Applicable		Not Applicable
4 Miscellaneous income	Not Applicable	Not Applicable		Not Applicable
5				
6 Total other income	3,627,087	71,293		453,151
7				
8 Other Income Deductions:				
9 Miscellaneous income deductions	Not Applicable	Not Applicable		Not Applicable
10 Taxes applicable to other income	1,428,147	28,104		178,426
11				
12 Total other income deductions	1,428,147	28,104		178,426
13				
14 Interest Charges:				
15 Interest on long-term debt	49,153,290	1,780,521		6,216,756
16 Amortization of debt discount and expense	532,539	23,216		67,328
17 Amortization of premium on debt - (cr)				
18 Interest on advances from affiliated companies				
19 Other interest expense	4,942,299	(151,928)		(145,979)
20				
21 Total interest expense	54,628,128	1,651,809		6,138,105
22				
23 Net Income *	\$75,724,955	(\$1,628,890)		\$9,266,634
24				
25				
26				
27				
28 * Excludes non-utility and other income.				
29				

31 Statistical Data - SC Operations

	Operating Revenues		Dt of Gas Sold		Number of Customers	
	Quarter Ended	12 Months Ended	Quarter Ended	12 Months Ended	12 Months Average	End of Period
36 Sales Classification:						
37 Residential	\$7,039,505	\$110,276,280	320,073	6,244,186	110,413	109,198
38 Commercial	7,666,793	68,566,933	510,042	4,339,887	13,620	13,415
39 Industrial - Firm (1)	5,690,619	29,315,031	475,934	2,248,937	415	413
40 Industrial - Interruptible						
41 Power generation - sales	195,130	220,440	18,406	20,237	1	1
42 Sales to public authorities	133,318	1,269,779	7,486	74,475	1,610	1,699
43 Sales for resale	0	0	0	0	0	0
44						
45 Total sales of gas *	\$20,725,365	\$209,648,463	1,331,941	12,927,722	126,059	124,726
46						
47						
48 Gas transported for others	1,722,498	9,111,968	2,237,596	9,150,593	111	108
49 Gas transported for power generation	60,771	256,379	746,642	765,983	1	1
50 Gas transported for resale	0	0	0	0	0	0
51						
52 Average Rate in Cents/Dt Purchased	Quarter End	\$6.82		12-Month End	\$9.64	
53						

54 *Total revenues should agree with total on Page 1, line 8.

(1) A breakdown between firm and interruptible revenues, dekatherms, and customers is not readily available.

GAS COMPANIES
Selected Balance Sheet Items

Quarter Ended: Month of September
Year 2006

	<u>September 30, 2006</u>	
	<u>Total Company</u>	<u>South Carolina</u>
1		
2 ASSETS		
3 -----		
4 Construction work in progress (CWIP) \$163,914,426		
5 Gross plant in service (excluding CWIP)	\$2,615,299,108	\$329,789,217
6 Less: Reserve for depreciation	<u>731,803,848</u>	<u>92,280,465</u>
7		
8 Net Plant in service	1,883,495,260	237,508,752
9 Add: Material and supplies	<u>146,239,039</u>	<u>18,440,743</u>
10		
11 Net plant in service and material and supplies	2,029,734,299	255,949,495
12 Other assets (include CWIP)	<u>476,931,690</u>	<u>60,141,086</u>
13		
14 Total assets	<u>\$2,506,665,989</u>	<u>\$316,090,581</u>
15		
16		
17		
18		
19 CAPITALIZATION AND LIABILITIES		
20 -----		
21 Preferred and/or Preference stock		
22		
23 Common Stock	\$529,645,624	\$66,788,313
24 Premium on common stock		
25 Other capital	28,047	3,537
26 Earned surplus reserved		
27 Unappropriated earned surplus	<u>345,836,994</u>	<u>43,610,045</u>
28		
29 Total common stockholders' equity	<u>875,510,665</u>	<u>110,401,895</u>
30		
31 Long-term debt (funded)	825,000,000	104,032,500
32 Other long- term debt		
33		
34 Total Long-term debt	<u>825,000,000</u>	<u>104,032,500</u>
35		
36 Total capital structure	1,700,510,665	214,434,395
37 Short-term obligations	159,000,000	20,049,900
38 Advance from parent or affiliate company		
39 Contributions in aid of construction		
40 Other Liabilities	<u>647,155,324</u>	<u>81,606,286</u>
41		
42 Total Liabilities	<u>\$2,506,665,989</u>	<u>\$316,090,581</u>
43		
44		
45		
46		
47		
48 Statistical Data		
49 -----		
50 Preferred stock dividends declared and dividend rate	-	-
51 Common stock dividends declared and dividend rate (\$.95)	72,107,326	9,092,734
52 Customers- Average for 12 Months to date	909,055	126,059
53 Customers - Number at end of 12 months to date	900,704	124,726
54 Number common shares outstanding at end of report period	75,341,434	9,500,555

Note: Balance sheet items other than plant account and related reserves may be apportioned to S.C. operations on the basis of plant allocation to South Carolina. Complete South Carolina portion in full, either actual or on allocated basis.
Round all financial data to nearest dollar.
One copy of this report is due to be mailed to the Commission not later than 30 days after the end of each quarter.

Quarter Ended: Month of September
Year 2006

Company: Piedmont Natural Gas Company, Inc.

Type Obligation Bonds, Debentures, Notes, etc. (a)	Issue Date (b)	Maturity Date (c)	Face Amount (d)	Amount Outstanding (e)	Interest Rate (f)	Interest Booked for 12 Months Ended This Report (g)	Interest Annualized On O/S Long- Term Debt Col.(f) x (e) (h)*
1							
2							
3	<u>Senior Notes</u>						
4	Note due 2006	8/30/1991	7/30/2006	0	9.44	2,771,689	0
5	Note due 2017	9/21/1992	9/30/2017	35,000,000	8.51	3,019,868	2,978,500
6							
7							
8	<u>Insured Quarterly Notes</u>						
9	Note due 2036	6/20/2006	6/1/2036	200,000,000	6.25	3,506,944	12,500,000
10							
11							
12	<u>Medium-Term Notes</u>						
13	Note due 2023	10/6/1993	10/6/2023	45,000,000	6.87	3,091,500	3,091,500
14	Note due 2024	9/19/1994	9/19/2024	40,000,000	8.45	3,380,000	3,380,000
15	Note due 2025	10/3/1995	10/3/2025	55,000,000	7.40	4,070,000	4,070,000
16	Note due 2026	10/9/1996	10/9/2026	40,000,000	7.50	3,000,000	3,000,000
17	Note due 2009	9/20/1999	9/25/2009	30,000,000	7.35	2,205,000	2,205,000
18	Note due 2029	9/20/1999	9/14/2029	60,000,000	7.95	4,770,000	4,770,000
19	Note due 2010	9/29/2000	9/29/2010	60,000,000	7.80	4,680,000	4,680,000
20	Note due 2011	9/26/2001	9/26/2011	60,000,000	6.55	3,930,000	3,930,000
21	Note due 2013	12/19/2003	12/19/2013	100,000,000	5.00	5,000,000	5,000,000
22	Note due 2033	12/19/2003	12/19/2033	100,000,000	6.00	6,000,000	6,000,000
23							
24							
25							
26							
27							
28							
29	Sub-total			825,000,000		49,425,001	55,605,000
30	Less allocation to non-utility activities					271,711	
31							
32	Total			825,000,000		49,153,290	55,605,000
33							

*This data will be the same as the data in Col. (g) except for the interest on those obligations which have been outstanding (O/S) for less than 12 months; for these items, the interest should be annualized as if they were O/S for a 12-month period.